



VIA EMAIL

May 21, 2010

Mr. Kevin Shannon
CB Richard Ellis
990 W. 190th St.
Torrance, CA 90502

**RE: *Golden State Portfolio (11 Buildings)*
 *SF/Bay Area, Sacramento, Los Angeles, CA***

Dear Kevin:

CJK Investments, LLC and Ampton Investments, Inc. ("Buyers") are pleased to submit this letter of interest to CB Richard Ellis ("Broker") on behalf of State of California ("Seller"), to purchase the real property and related rights and interests (i.e. leasehold, personal property, contract, etc.). The property and related rights and interests will collectively be referred to as the "Asset(s)." Any purchase of the Assets by Buyer will be pursuant to a formal written purchase agreement ("Purchase Agreement") which would, among other things, contain the following terms and conditions:

Buyer has reviewed and reconciled into its final pricing the recently commissioned documents outlined in the April 25, 2010 Best and Final Letter that were made available in the document center.

1. Purchase Price.
 - a. Total Purchase Price. The total purchase price for all of the Assets will be \$2,207,000,000 subject to adjustment as provided for below (the "Purchase Price").
 - b. Adjustments. The Purchase Price will be reduced to reflect (i) delinquent taxes and assessments for the Assets if not satisfied and removed prior to Close of Escrow, (ii) prorations of costs and rental income for the Assets, (iii) mechanic's liens encumbering the Assets if not satisfied and removed prior to Close of Escrow; and (iv) any other adjustments the parties deem reasonably necessary given the particular circumstances of the Assets. Seller will be responsible for using its best efforts to satisfy and remove prior to Close of Escrow any delinquent real property taxes and any mechanic's liens encumbering the Assets.
2. Source of Equity: Deutsche Bank will arrange and supply all equity and debt necessary to close the transaction. Deutsche Bank Contact: Simon Leopold (Managing Director, Global Real Estate Investment Banking, Deutsche Bank Main Office, 60 Wall Street, New York, NY)
3. Good Faith Deposit. Within 3 business days after execution of the Purchase Agreement, Buyer will deposit with the escrow holder \$100,000,000 as a good faith deposit (the "Deposit"). All interest earned on the Deposit will be for Buyer's benefit. The Deposit will be applicable to Buyer's satisfaction of the Purchase Price.

4. Contingency. None
5. Opening of Escrow. Upon execution of the Purchase Agreement for the Assets, Buyer and Seller will open escrow ("Escrow") with First American Title.
6. Close of Escrow. Escrow will close by no later than 30 days after the execution Purchase Agreement.
7. Operating Lease: Buyer has reviewed and reconciled the leases provided in the document center. Buyer will accept leases as drafted.
8. Year One Operating Budget: Buyer has reviewed and reconciled the Year One Operating Budget provided in the document center.
9. Property Condition: Buyer has reviewed and reconciled Marx Okubo reports provided in the document center.
10. Plans and Specifications: Buyer has reviewed and reconciled building, Floor, Site Plans and specifications provided in the document center
11. ADA Surveys: Buyer has reviewed and reconciled ADA Accessibility and Compliance Surveys provided in the document center.
12. Title Review. Buyer has reviewed and reconciled ALTA Surveys provided in the document center.
13. Environmental Audits. Buyer has reviewed and reconciled Kleinfelder Phase I reports provided in the document center.
14. Balance of Purchase Price. The balance of the Purchase Price will be paid to Seller in cash and will be deposited in escrow prior to the Close of Escrow.
15. Representations and Warranties. Seller and Buyer will give customary representations and warranties for this type of transaction.
16. Seller Covenants.
 - a. Operation. Until the Close of Escrow, Seller will manage, maintain and operate the Assets in the same manner as prior to entering into the Purchase Agreement. Without the prior written consent of Buyer (which will not be unreasonably withheld) Seller will not enter into, modify or cancel any agreements which affect the Assets.
 - b. Cooperation. From and after the Close of Escrow, Seller will cooperate with Buyer's reasonable requests in connection with any litigation involving any of the Assets. However, Seller will not be required to institute a lawsuit or expend sums of money unless Buyer agrees to reimburse Seller for such expenditures.
 - c. Insurance. All insurance policies carried by Seller with respect to Assets will remain in effect until Close of Escrow.

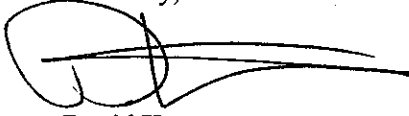
- d. No Further Encumbrance. Seller will not alienate, lien, encumber or otherwise transfer all or any Assets.
17. Conditions to Buyer's Obligation to Close. The obligation of Buyer to close Escrow will be subject to the satisfaction of or Buyer's waiver of the following conditions:
- a. Seller will have delivered to Escrow Holder all documents required to be delivered to Escrow Holder including those necessary to convey all Assets and related rights to Buyer.
 - b. Seller will have performed, satisfied and complied with all covenants, agreements and conditions required by the Purchase Agreement.
 - c. Seller's representations and warranties will be true and correct as of the date of the Purchase Agreement and as of Close of Escrow.
 - d. The title company will have committed to issue concurrent with the Closing, title insurance coverage in the form and in the amounts previously approved by Buyer.
 - e. There will have been no material adverse changes in the condition of the Assets (including, but not limited to, the condition of title) since the opening of escrow.
18. Costs and Expenses. Buyer will pay the allocation of escrow and transactional costs outlined in the April 25, 2010 Best and Final Letter. Seller will pay all brokerage fees in connection with the sale of the Assets. The parties will each pay their own legal fees and expenses in connection with the preparation and negotiation of the Purchase Agreement.
19. Documents to be Executed. Each of the parties agree to execute and deliver to Escrow Holder those documents necessary to consummate the intended transaction and convey the Assets and related rights and interests to Buyer.
20. Confidentiality. Buyer and Seller will keep the terms of the Purchase Agreement strictly confidential and will not disclose or permit their employees or agents to disclose the terms of the Purchase Agreement, including, without limitation, the Purchase Price for the Assets (except as reasonably necessary to Buyer's and Seller's attorneys, accountants, and representatives and others performing due diligence services).
21. Exclusivity. Upon the execution of this letter, Seller will have no further dealings or negotiations with any third parties concerning the purchase of the Assets unless and until there is a termination of the Purchase Agreement or the negotiations for the Purchase Agreement.

Buyer requests a draft copy of Purchase Agreement by 4 pm (PDT) on May 21, 2010. Buyer will provide comments for Sellers review by 3 pm (PDT) on May 22, 2010.

This letter is not binding. This letter is submitted in the interest of initiating negotiations for the preparation and execution of a formal binding written Purchase Agreement. Nothing contained in this letter is intended to constitute an offer or be binding on any party unless and until a Purchase Agreement is fully executed and exchanged by all parties.

If the above is acceptable to you, please indicate your interest by executing this letter below and returning it to me via facsimile at (949) 468-5521 by no later than 5:00 P.M. (P.D.T.) on Monday, May 24, 2010. Thank you.

Sincerely,



David Kray
CJK Investments
Principal
(949) 224-4176

Laurence N. Strenger
Ampton Investments
CEO
(212) 319-3404

ACCEPTED AND AGREED:

By: _____

(Print Name) (Title)